



News from
Senator CARL KRUGER

Chair, Senate Finance Committee

Dear Friend:

You spoke to us – and we listened.

Following two weeks of historic public hearings where hundreds of witnesses from New York City to the Niagara region to Suffolk County offered testimony in response to the proposed Deficit Reduction Plan (DRP), I am pleased to report that I have submitted legislation outlining an alternative deficit reduction plan for New York State that proposes a broad range of short-term initiatives to close the state's nearly \$3 billion budget gap.

Your testimony was critical in both guiding and inspiring us. The stories you told were impassioned, deeply personal and heartbreaking. Your words demonstrated in a way in that mere numbers cannot the devastating toll that service cuts would bring to hospitals, schools, nursing homes, programs for children with disabilities, services for the homeless, and initiatives to assist at-risk and low-income individuals struggling against the tide to achieve independence.

One woman in Buffalo told the story of her two middle-aged sisters with developmental disabilities whose lives had been enriched back in the 1960s by state-funded programs. Her mother, who became known as a champion of programs run by the Office of Mental Retardation and Developmental Disabilities, recently passed away. The woman told us that she's thankful her mother isn't here to witness the dismantling of the programs she helped build.

For me, that statement drove home the urgency of closing the budget gap without imposing drastic service cuts.

The proposed disruption of midyear school programs, Medicaid cuts and reductions to social service programs left us no alternative but to deny these cuts and look for an alternative that the people of New York State can live with.

The Senate Finance Committee has worked around the clock for the last two weeks to fashion an alternative deficit reduction plan that accomplishes its goal of closing the budget gap while remaining attentive to our State's foremost mission, which is to effectively and compassionately meet the needs of our residents – families, senior citizens, children, and all of the vulnerable constituencies that cannot advocate for themselves.

Looking ahead, my legislation (S.6275) also establishes a 12-member joint Legislative Commission on Governmental Restructuring to explore and report findings regarding how the State delivers services, and to provide recommendations on structural reforms of government to achieve taxpayer savings. We need a focused, more productive government that knows how to trim the fat and eliminate duplication, and that will be the goal of the joint commission.

There are no sacred cows – I have already asked for the freezing of all managerial hiring as well as those consulting contracts that have not yet been let out. It's time to turn off the spigot.

Our Senate plan, which was put together after discussions with Majority Conference Leader Senator John Sampson as well as outside consultants, stands in agreement with \$1.749 million in administrative and legislative actions that were originally proposed which would not result in service cuts. Included within the framework of the legislation is a \$3 billion action plan that proposes administrative reductions rather than service-based cuts to reduce the budget gap.

Among its provisions, the bill authorizes a tax penalty forgiveness program; authorizes the Battery Park City Authority to transfer \$200 million to the state's general fund; authorizes various sweeps and transfers that will increase general fund receipts by approximately \$348 million in SFY 2009-10 and includes a blanket authorization to sweep an additional \$300 million in State fiscal year 2009-10; authorizes tobacco bond refinancing; authorizes the transfer of \$200 million from the Port Authority of New York and New Jersey to the state's general fund; and authorizes expanded hours for video lottery gaming.

Late last week, the Senate Finance Committee released its own comprehensive alternative deficit reduction plan based on data provided by the nationally recognized economic forecasting firm Global Insight. The Global Insight data determined the current deficit to total \$2.872 billion for this fiscal year – less than the \$3.159 billion originally projected, but enough to have a significant impact on the lives of New Yorkers.

There were very real concerns that, come this December, we would not be able to meet New York State's revenue needs. Fortunately, that will no longer be the issue. Our plan offers a sufficient enough cushion to get through this fiscal year, and our forecast indicates a light at the end of the tunnel. Yet significant challenges still remain.

Other localities and states such as California are confronting the same daunting challenges as they deal with the global financial meltdown. We'll get through this period of fiscal difficulty. This is not and never will be California.

Please remember that it was your testimony and your passionate involvement in our great democratic process of government that inspired the alternative gap-closing measures I introduced in Albany.

We're New Yorkers. Thanks to our ingenuity and our shared mission to meet the needs of the people we represent, we'll always find a way.

Sincerely,

A handwritten signature in blue ink, reading "Carl Kruger". The signature is stylized with a large, decorative initial "C" that loops around the first few letters. The name "Carl Kruger" is written in a cursive script, with a long horizontal stroke extending from the end of the word "Kruger".

Carl Kruger

Member of Senate

Chair, Senate Finance Committee